



Blacks in Green (BIG) Comments on the ICC Low-Income Discount Rate Study for Residential Gas and Electric Customers

Blacks in Green (BIG) is an organization that envisions, leads, promotes and implements several initiatives central to ensuring and securing a vibrant and robust Clean Energy Future for Illinois' under-resourced communities, with a focus on Black communities. BIG's work is under the leadership of Executive Director Naomi Davis, an urban theorist, attorney, activist, and proud granddaughter of Mississippi sharecroppers. BIG serves as a bridge and catalyst among communities and their stakeholders in the design and development of sustainable, healthy, connected and economically vibrant communities. Securing a clean energy future with affordable rates and the fair and equitable distribution of utility service is integral to BIG's vision and work.

Working at the intersection of environment, economy, and equity, Blacks in Green advances a theory of change considered a gold standard for Black community economic development. Uniquely, BIG focuses on achieving a never-attempted standard for target communities - "increase in household income of present residents." This outcome advances in tandem with 2 core philosophies: only a whole-system solution can transform the whole-system problem common to Black communities everywhere; and a small space that a handful of neighbors can govern is the essential building block. Core strategies are to increase the rate neighbor-owned businesses are created and sustained; to build the capacity of neighbors to own, develop, and manage the property in their community; and to remember and revive the conservation lifestyle ~ what BIG calls "the beautiful life."

From their headquarters, The Green Living Room Neighborhood Clubhouse, they are currently cultivating economies in energy, horticulture, housing, tourism, and waste, with the goal of expanding to 60 Green Living Rooms/Sustainable Square Mile villages across Chicago and 10,000 across America.

BIG's current initiatives include:

- The **Sustainable Square Mile™** aims to reinvent Ms. Davis' childhood "sustainable-square-mile" which includes green, self-sustaining, mixed-income, walkable-villages including walk-to-learn, walk-to-play neighborhoods where neighbor dollars can



- circulate locally to limit the greenhouse gases overheating our planet. BIG conveys to Black communities the risks of global warming, the health/wealth opportunities of the new green economy, the power of neighbors to lead in their city's enviro-economic policy and practice, and the primacy of land ownership. BIG is firmly committed to ensuring that Black households equitably contribute to and benefit from Illinois' Clean Energy Future.
- The **Black Energy Justice Retreat**™ - BIG has initiated and is leading an ongoing series of conversations that will lead to actionable, measurable improvements in achieving full Energy Justice for Black residential customers, businesses and communities in Illinois and throughout the nation. BIG recently convened a three-day, in-person retreat attended by over sixty nationwide thought leaders with expertise in state and federal law, regulatory policy, data analysis, programmatic and energy technical skills to identify core areas of focus, existing resources and analysis, and initial high-level recommendations on several topics essential to achieving Black Energy Justice. Attendees included city, state and federal officials, leading academics in the environmental justice field, representatives from impactful community-based organizations, senior professionals from well-recognized and -respected environmental groups, and highly-experienced clean energy professionals with decades of experience. in multiple jurisdictions. The engagement and collaboration of the attendees now continues remotely, with future in-person convening as needed and appropriate to refine and implement recommendations and action items for achieving long-overdue but very timely **Black Energy Justice**™ given the rapid and essential transition to the Clean Energy Economy. Finally, BIG continues to selectively expand its **Black Energy Justice**™ through a curated network of supporters and advisors to maximize its local and national impact over time.
- BIG also is active in preserving and promoting the City of Chicago's rich Black cultural heritage, improving and beautifying Chicago's Black neighborhoods, and fostering local job growth, economic development and community engagement and self-determination. BIG's activities include purchasing, improving and updating the Emmett Till house, developing and cultivating the Mamie Till forgiveness garden, and purchasing and beautifying open lots to create urban oases and enhance neighborhood property values and community spirit, pride and deep relational connections.

BIG very much appreciates the opportunity to comment to inform the development of the Illinois Commerce Commission's (ICC's) report on Discounted Rates for Residential Customers. BIG's comments are informed by its vision, mission and activities as described above, as well as



deep and regular engagement with low-income customers, as BIG is located in West Woodlawn, Chicago.

BIG's comments are expansive, and do not focus solely on the narrow question of developing discounted rates, as BIG firmly believes that ancillary issues are inextricably linked with the question of discounted rate design and must be concurrently reviewed and considered. The ancillary issues include, but are not limited to, the following matters as described further below:

- Just and equitable distribution of utility service and other utility benefits – historic practices; current outcomes
- Just and equitable treatment of all customers
- Affordable rates

BIG's recommendations of topics and questions to address in the ICC's Discounted Rates Report are set forth below:

I. BIG Recommendations on Ancillary, but Essential, Issues to Address in the ICC's Low-Income Discount Rate Report

Recommendation 1: Include in the Low-Income Discount Rate Report Analysis of Past Practices and Current Outcomes of Utility Services and Benefits Provided To Black/Brown Communities Compared to Predominantly White Communities, Using City of Chicago as A "Case Study."

All utility customers pay rates to receive services and other benefits. Customer rates are independent of race. Similarly, utility services and other utility benefits should be provided fairly and equitably regardless of the predominant racial demographics of the community. BIG has ample evidence that utility service is distributed inequitably in the City of Chicago and Cook County based on the predominant racial composition of a community (Black/Brown vs. White). The inequitable provision of utility services historically and currently must be further documented and remedied.

The inquiry should include analysis of questions such as:

1. Utility infrastructure in Black/Brown communities compared to White communities in Chicago, including: 1. percent electric service that is "underground," 2. appearance and placement of less aesthetically desirable utility infrastructure (such as substations).



2. Distribution of jobs – what percent of utility work is done by people living in predominantly low-income and Black/Brown communities, compared to those who live in White, affluent communities?

Recommendation No. 2: Include in the Low-Income Discount Rate Report Evaluation of Utility Services Provided to Low-Income and/or Black/Brown Communities Compared to White Communities in the Chicagoland Area.

Questions for consideration include:

1. Utility Disconnections - Are disconnection practices and outcomes independent of race/economic status of a customer?
2. Utility Outages – Length of outages in low-income and Black/Brown communities compared to affluent and/or predominantly White communities.
3. Information about Utility Services – Are all customers receiving similar outreach and knowledge about energy efficiency and other utility services across racial, economic and ethnic demographics?
4. Respectful and Informed Customer Services – Are utility customer service representatives providing respectful and informed customer service to all customers, especially customers struggling with rate affordability and/or impending disconnections? Are utility customer representatives staff and managers inclusive of staff from under-resourced communities? If a customer calls the utility, will they be offered clear, complete and consistent information about all utility services available to them to help manage their bills and disconnection risk, plus how to access state and federal resources to help manage their bills?

Recommendation No. 3: Consider historical rate increases and current utility bill affordability.

Low-income customers have faced rapid rate increases in recent years that have outpaced inflation. BIG would like the ICC Low-Income Discount Rate Report to present information about annual residential rate and bill increases over the past ten years, how the annual residential rates in IL have compared to rates in other states, key drivers of residential rate and bill increases each year, and utility affordability trends over time as a percentage of area median income.

II. BIG Recommendations On Low-Income Rate Designs for the ICC to Consider and Thoroughly Analyze in the Low-Income Rate Report



1. Recommendation No. 1: Create and Adequately Fund a Low-Income Discount Rate Open to All Income Eligible Customers Modeled on California’s “CARE” and “FERA” Programs.

California’s Alternate Rates for Energy (CARE) program provides a 30 – 35% reduction on electric bills and 20% reduction on gas bills for income-qualifying customers. Customer paperwork and recertification requirements are manageable and efficient. FERA provides rate discounts for low-moderate income customers of 18% on electric bills.

2. Recommendation 2: Significantly Reduce the Mandatory Customer Charge; Consider Implementing Income-Tiered Customer or “Fixed” Charges.

Illinois’ customers high customer or “fixed” charges are inequitably burdensome for low-income customers who see little benefit from their conservation and efficiency behaviors given that customer charges are a large percentage of their bill such that using less energy results in minimal overall bill reductions due to the high fixed charges.

The ICC should consider reducing high customer charges for all customers and placing more utility funding in the variable charges to incent efficiency/conservation behavior OR alternatively significantly lower the fixed customer charges for low-income customers and increase the fixed charges for high income customers so that low-income customer conservation and energy efficiency behaviors by low-income customers result in meaningful bill reductions.

3. Recommendation No. 3: Consider Inclining Block Rates.

Inclining block rates are rates where the more energy you use, the more you pay per kWh or therm of energy. Lower-income customers, on average, use less significantly less energy than higher-income customers, even though energy costs are a significantly higher burden for low-income customers relative to other life essentials. More affluent customers place *higher* burdens on local utility infrastructure given their higher energy use to power larger homes, electric cars, larger appliances, etc. Inclining block rates will ensure affluent customers who place larger burdens on local utility infrastructure pay their fair share of their higher energy use on utility infrastructure.



Low-income customers should be provided with a lower energy rate for the typical energy use of a low-income home, based on the type of home (such as single family or multi-family).

4. Recommendation No. 4: Expand the Low-Income Residential Rate Report to Include Discounted, Affordable Rates and/or Other Rate Assistance for Small and Medium-Sized in Under-Resourced Communities.

Small and medium businesses in low-income communities should be provided with rate relief and bill assistance in recognition of the fact that high-utility costs can cause businesses to close in areas that already are underserved by commerce. Offering small businesses in under-resourced areas rate affordability options will help low-income customers in under-resourced areas.

III. **Conclusion**

BIG respectfully requests that the ICC include its report a thorough, data-driven analysis of each of the recommendations and questions listed above. BIG would be happy to assist the ICC in crafting requests to the utilities to understand the historic practices and current outcomes related to BIG's recommendations. BIG also requests that any deliberations about discounted rates and associated issues be conducted through an open and transparent process, with sufficient engagement and meaningful, informed input from community based organizations and community action agencies who work directly with low-income customers. BIG would welcome the opportunity to help the ICC develop and implement a process to ensure the voices and perspectives of low income customers and the organizations that serve them are effectively consulted and provided with due process – in other words, a process that meaningfully and effectively engages low-income customers, communities and their representative organizations so that they are given notice and an opportunity to be heard on the very essential questions related to rates and utility services to rates and associated just and equitable service.

Respectfully submitted by:

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BIG! Blacks in Green